

In the Matter of	)	
	)	
Implementation of Section 304 of the	)	
Telecommunications Act of 1996	)	CS Docket No. 97-80
	)	
Commercial Availability of Navigation Devices	)	
	)	
Compatibility Between Cable Systems and	)	PP Docket No. 00-67
Consumer Electronics Equipment	)	

## REPLY COMMENTS OF INTEL CORPORATION

Intel Corporation (“Intel”) appreciates the opportunity to provide these brief reply comments in the above referenced proceedings.

**1. Intel does not support government review of private licenses.** Intel does not believe as a general principle the commission should be involved in reviewing private license agreements, including but not limited to those related to voluntary digital output technologies that have *nothing* to do with the right to connect a retail navigation device to the cable network. The Commission’s interest in digital output content protection technology licenses is limited to such technology’s content protection capabilities, including the functional elements of the technology and perhaps at most its compliance, robustness and related obligations. All other terms and conditions of a digital output technology license are irrelevant and must remain a matter of private contract left to market participants. Injecting Commission review into aspects of voluntary technology licenses wholly unrelated to either content protection or the “right to attach” would establish a dangerous precedent and challenge the very limits of the Commission’s jurisdiction. Such review would impose on voluntary digital output technology licenses an unprecedented level of government intrusion that undermines the fundamental principles of intellectual property that enable U.S. companies to lead the world in technology and innovation.

**2. Use of digital output technologies is voluntary.** Implementation of digital output technologies is voluntary and has nothing to do with the right to connect to the cable network. Indeed, the very purpose of the DFast License is to provide the technologies necessary *to connect to the cable network*. Although digital output technologies may enable device manufacturers to connect to other devices, there are no obligations that require a DFast licensee to actually implement a digital output technology in its retail navigation product. In addition, both the DFast License and the Commission’s interim procedures anticipate a number of digital output technologies that implementers and consumers can choose from, making technology selection wholly a voluntary process subject to market forces.

**3. Commission review will unfairly discriminate against licensors of digital output technologies.** Commission review of the business and intellectual property terms and conditions in an optional digital output technology license unfairly discriminates against the licensors (and the existing licensees) of those digital output technologies. Building and deploying a competitive retail navigation device requires a number of basic technologies *just to connect to the network*, but it has not been suggested that the Commission oversee the licensing of the other technologies that may actually be *necessary* to connect to the network and offer a basic product (e.g., MPEG, EPG, DRM, etc.), and the DFast License itself is incredibly narrow in scope. In this context, there has been no suggestion that the Commission even require CableLabs to license all of the technologies necessary to implement the specifications referenced in the DFast License, or that the Commission oversee the “reasonable and non-discriminatory” licenses that DFast licensees have committed to offer with respect to the required DFast technology. If the Commission injects itself into the licensing terms and conditions for an approved digital output technology because they are “desirable”, will the Commission also then interject itself into the licensing of all other “necessary” or “desirable” technologies, such as digital rights management and compression and decompression technologies? Intel hopes that the Commission rejects the premise of the question, and responds to all such inquiries with a resounding, “NO”.

**4. Private licensing is the heart of our content protection system.** The content, CE and IT industries have been working together on a voluntary basis since at least 1996 to develop and deploy content protection technologies in the market place. Those efforts have produced a number of technologies, including but not limited to CSS, DTCP, CPRM and HDCP. The underlying principle in all of those efforts is that government restraint is paramount and content protection should be left to private parties and market forces. This is also the fundamental principle underlying Congress’ belief that the DTV transition will be hastened by a competitive retail market for navigation devices. The Commission should therefore limit its efforts with respect to approving digital output technologies to making sure that the process is fair and narrowly focused on principles of content protection.

Respectfully submitted,

Jeffrey T. Lawrence  
Counsel for Strategic Content Programs  
Intel Corporation